Q3

THIRD QUARTER 2023

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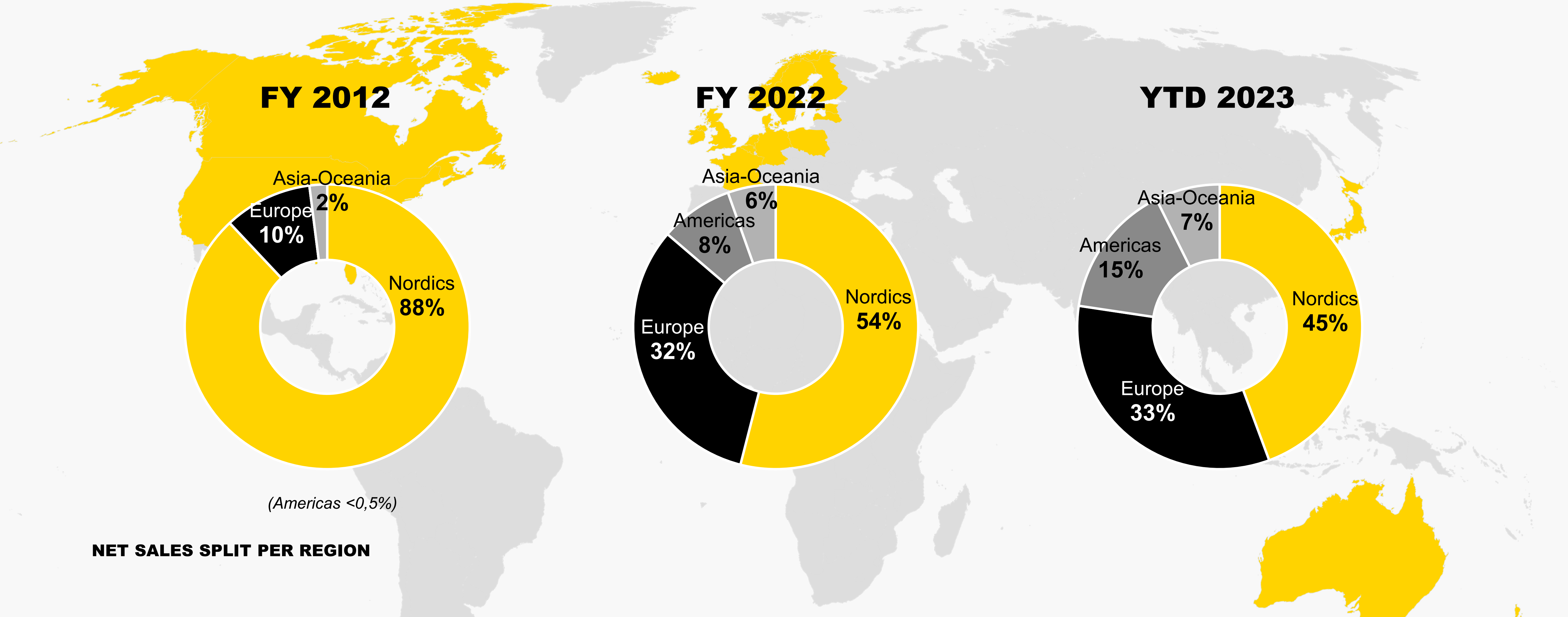
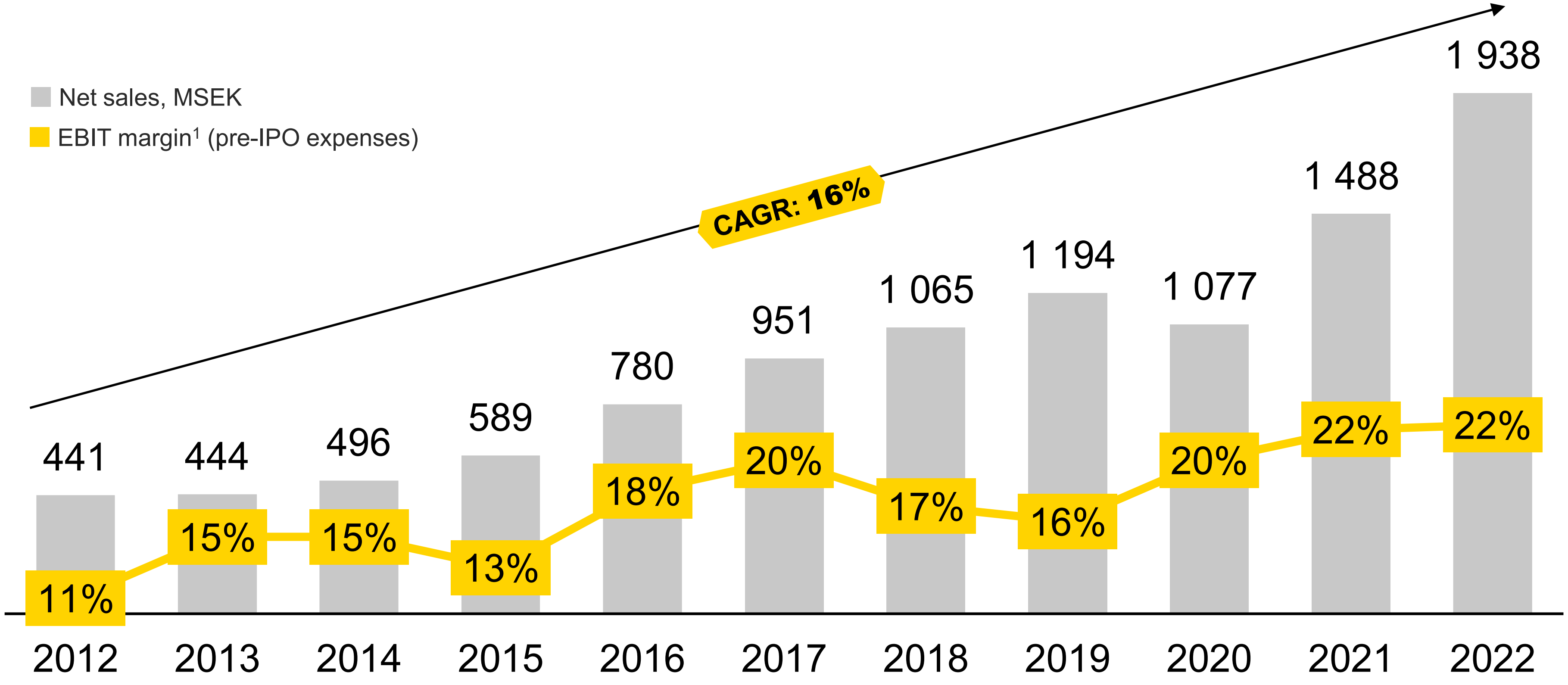


NET SALES SPLIT PER REGION

EXCEPTIONAL HISTORY OF ORGANIC SALES GROWTH AND MARGIN EXPANSION



Note: Information is derived from the audited annual reports reported under K3 of engcon AB and Mähler International AB respectively and chart on this page should not be viewed as proforma financials. The period 2012–2018 has not been recalculated to International Financial Reporting Standards as adopted by the European Union ("IFRS") and thus includes amortisation of goodwill and leasing expenses, and fair value of change in derivatives, all of which affect the comparability of EBITA between the periods. It is the company's assessment that EBITA as reported under K3 could be comparable to EBIT as reported under IFRS. Furthermore, there have been internal sales between the entities. It is engcon's assessment that the effect of amortisation of goodwill and leasing expenses together with the effect of group internal sales between the companies are not material and thus should not affect the overall comparability between net sales and EBITA / EBIT for the period 2012–2021, as show on this page.

1) Years 2012 – 2018 consist of EBITA margin while 2019 – 2021 is EBIT margin. EBIT for the periods 2021 2022 is adjusted for IPO expenses.

- Source: Company information.

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Q3 BUSINESS HIGHLIGHTS

- Growth on new markets has reduced dependency of the cyclic Nordic market.
- Stabilization of order intake in the Nordics and Europe.
- Strong net sales and order intake growth in Americas.
- Participation at Utility Expo in Kentucky, USA to expand further in the utility segment.
- High focus on ERP implementation across the organization.

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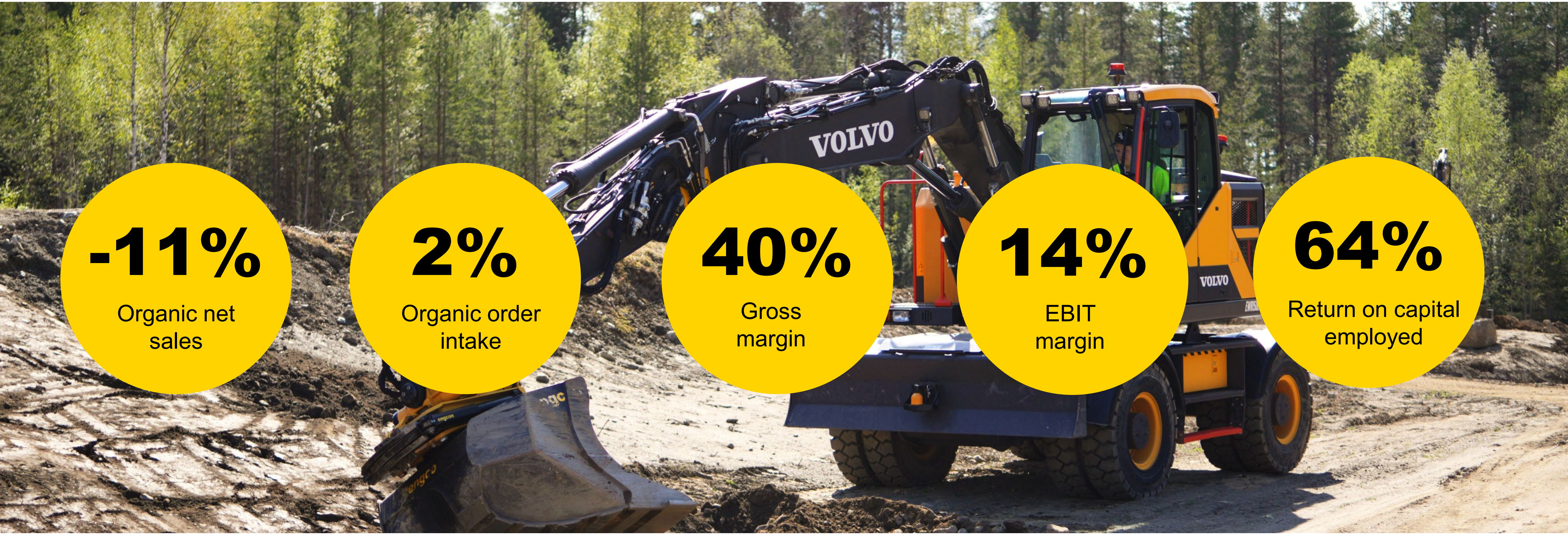
Q3 FIGURES IN BRIEF



-11%
Organic net sales

2%
Organic order intake

40%
Gross margin

14%
EBIT margin

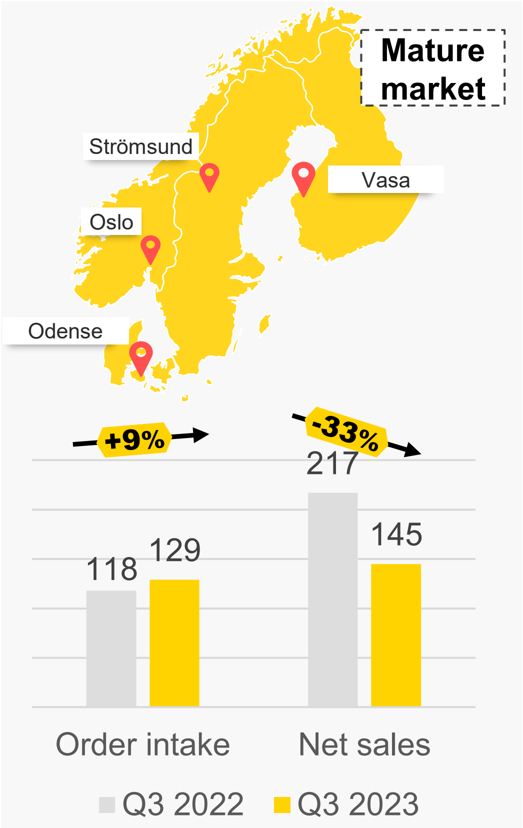
64%
Return on capital employed

BUSINESS AND FINANCIAL DEVELOPMENT

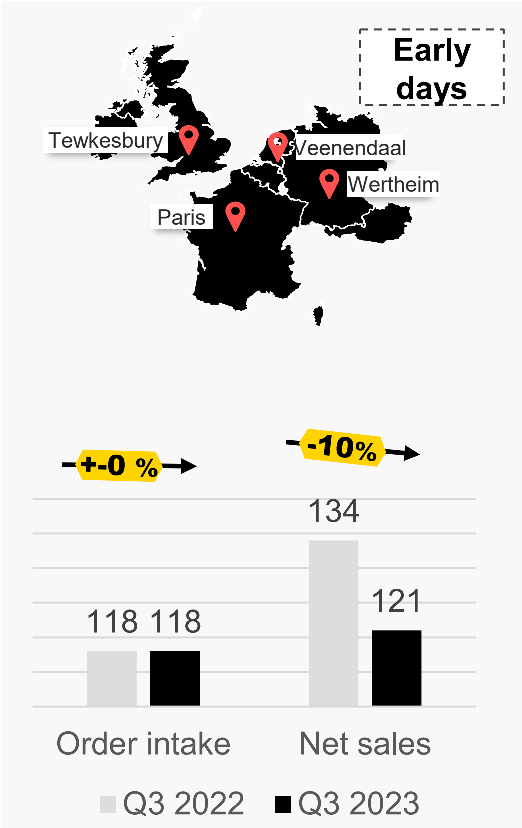
Q3 – STABILIZED ORDER INTAKE

Organic order intake and net sales per geographic region, MSEK

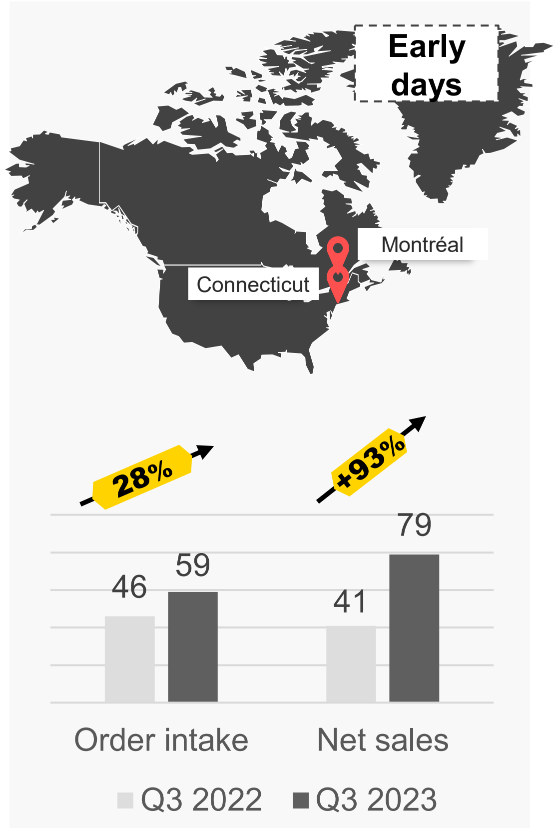
Nordics



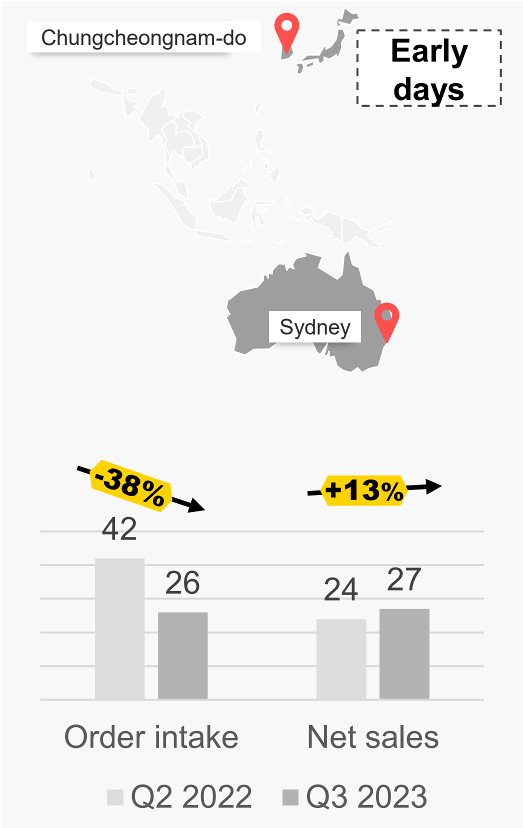
Europe



Americas



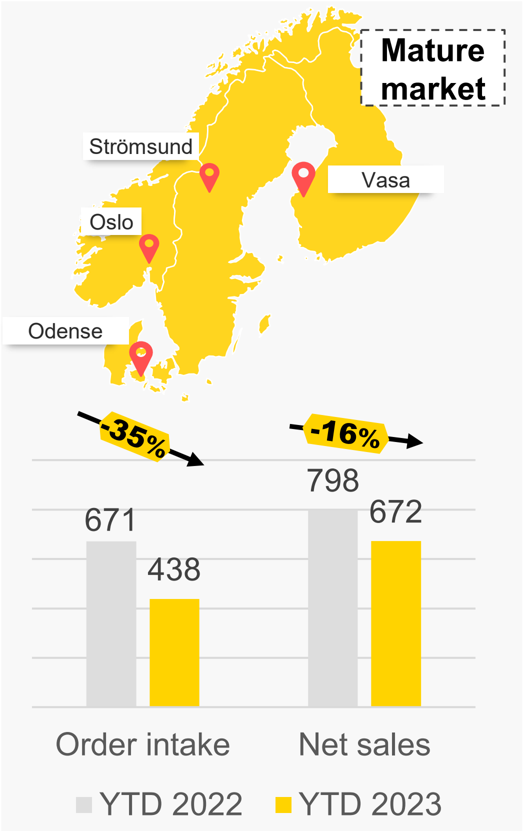
Asia-Oceania



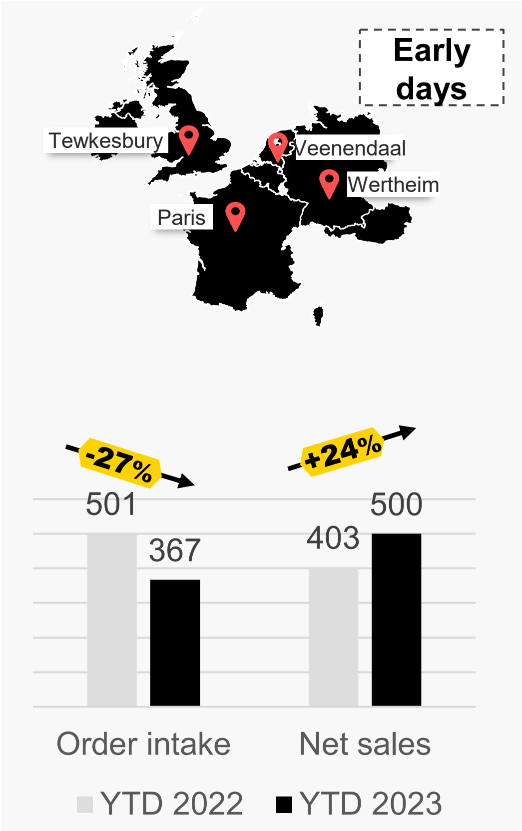
YTD - NET SALES GROWTH OUTSIDE THE NORDICS

Organic order intake and net sales per geographic region, MSEK

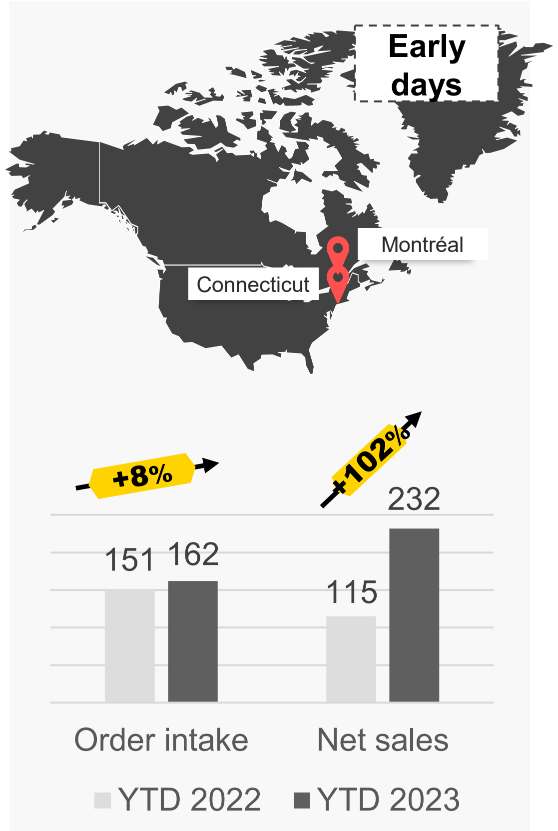
Nordics



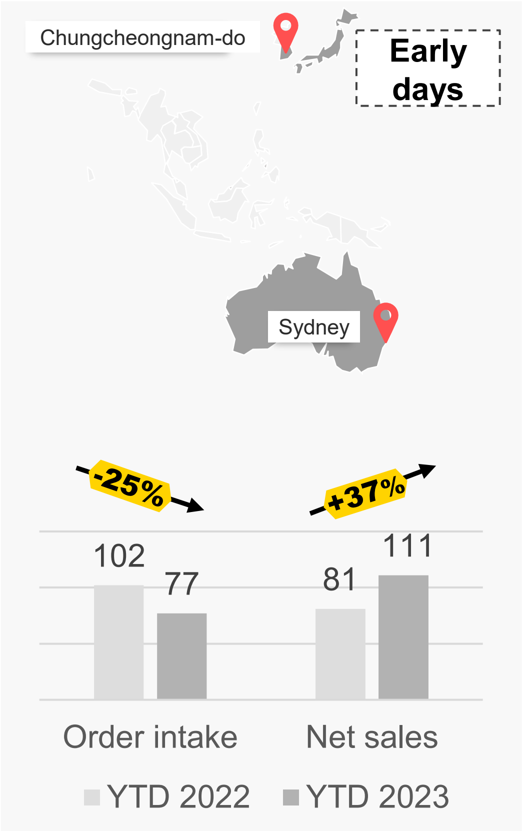
Europe



Americas

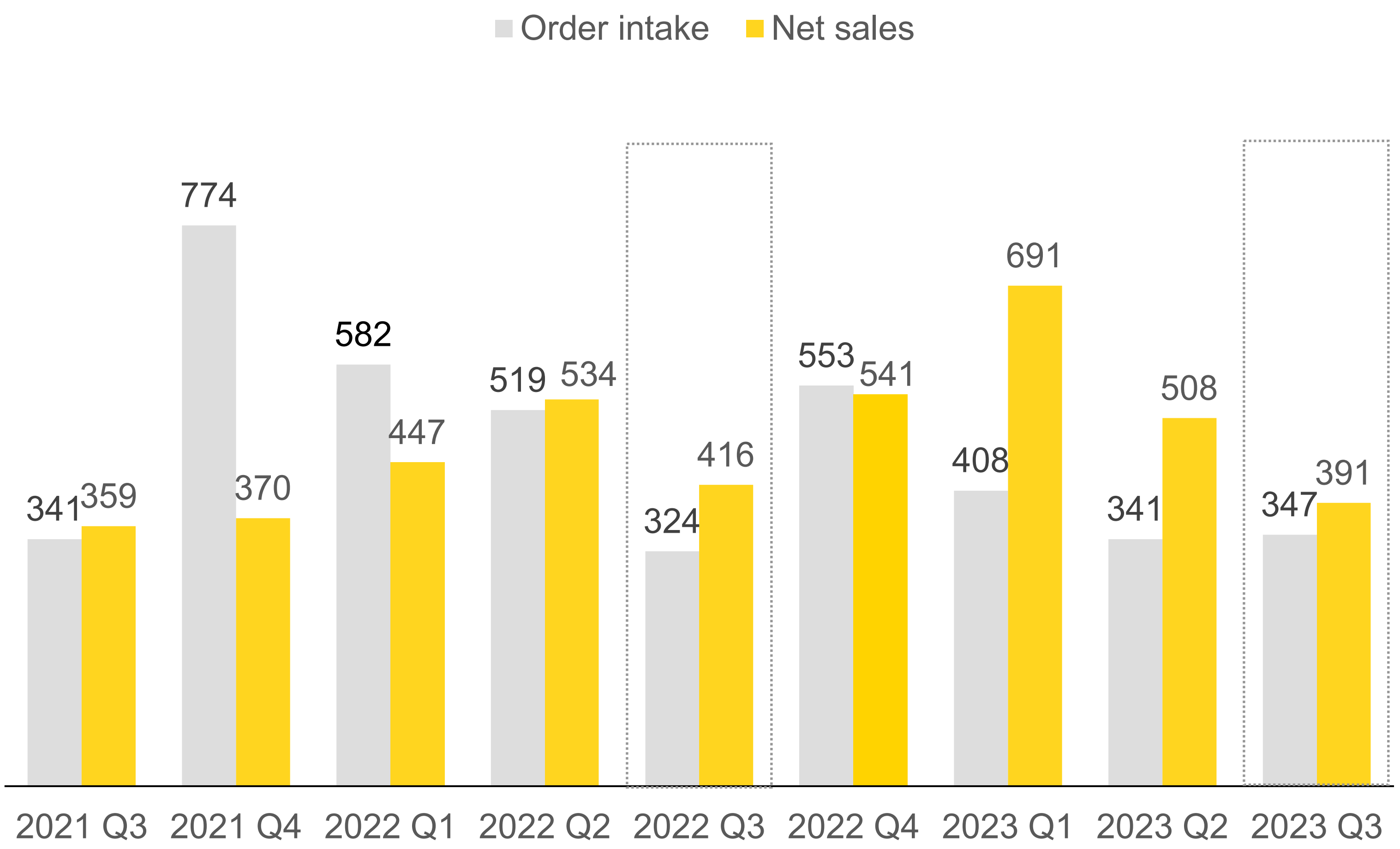


Asia-Oceania



ORDER INTAKE STABILIZED IN Q3

Order intake and net sales development per quarter, MSEK

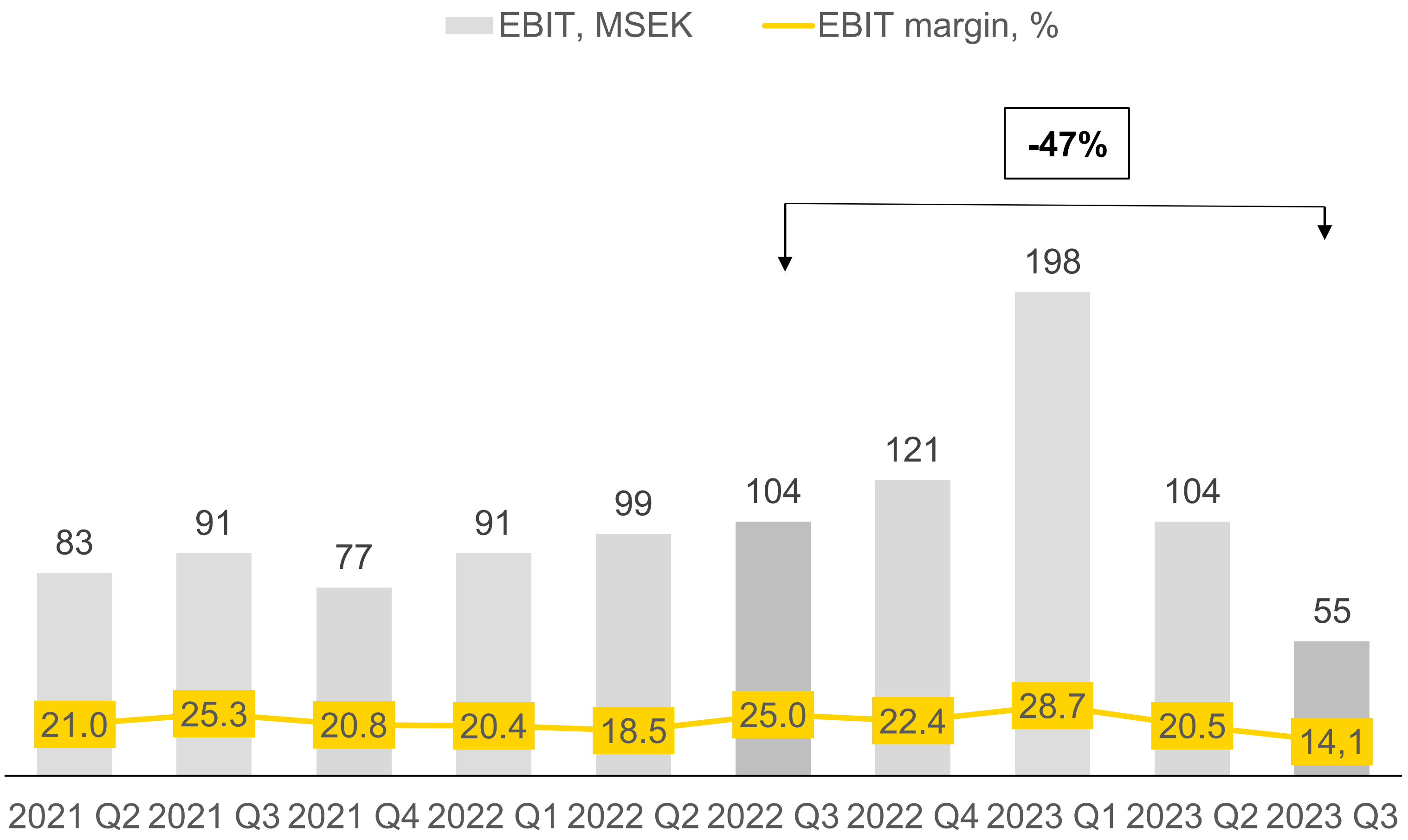


Key comments

- Net sales decreased 6%, organic -11%, currency effect of 19 MSEK.
- Order intake increased 7%, organic 2%, currency effect of 15 MSEK.
- Macroeconomic uncertainties impact the end customers' willingness to invest.
- Order intake stabilized on previous years' levels.
- No significant pre-buy effect expected in Q4.

LOWER EBIT IN THE QUARTER

EBIT and EBIT margin per quarter



Key comments

- EBIT decreased 47% to 55 (104) MSEK.
- EBIT margin of 14.1% (25.0%).
- EBIT impacted by lower volumes, campaigns and less favourable product mix.

OVERVIEW OF COSTS AND EBIT

MSEK	2023 Q3	2022 Q3	2023 R12	2022 FY
Net sales	391	416	2,131	1,938
COGS	-234	-229	-1,215	-1,105
Gross margin	*40.2%*	*45.0%*	*43.0%*	*43.0%*
Selling expenses	-69	-53	-279	-235
% of net sales	*-17.6%*	*-6.6%*	*-13.1%*	*-12.1%*
Administrative expenses	-27	-32	-128	-150
% of net sales	*-6.9%*	*-4.0%*	*-6.0%*	*-7.7%*
R&D expenses	-10	-6	-38	-28
% of net sales	*-2.6%*	*-0.7%*	*-1.8%*	*-1.5%*
Fair value of derivatives	4	-0	20	-7
% of net sales	*1.0%*	*-0.0%*	*0.9%*	*-0.4%*
Other operating income and expenses	*-0*	*8*	*-12*	*2*
% of net sales	*-0.0%*	*1.9%*	*-0.6%*	*0.1%*
EBIT	**55**	**104**	**478**	**415**
EBIT margin	*14.1%*	*25.0%*	*22.4%*	*21.4%*
EBIT pre-IPO	**55**	**105**	**478**	**432**
EBIT margin pre-IPO	*14.1%*	*25.2%*	*22.4%*	*22.3%*

Key comments

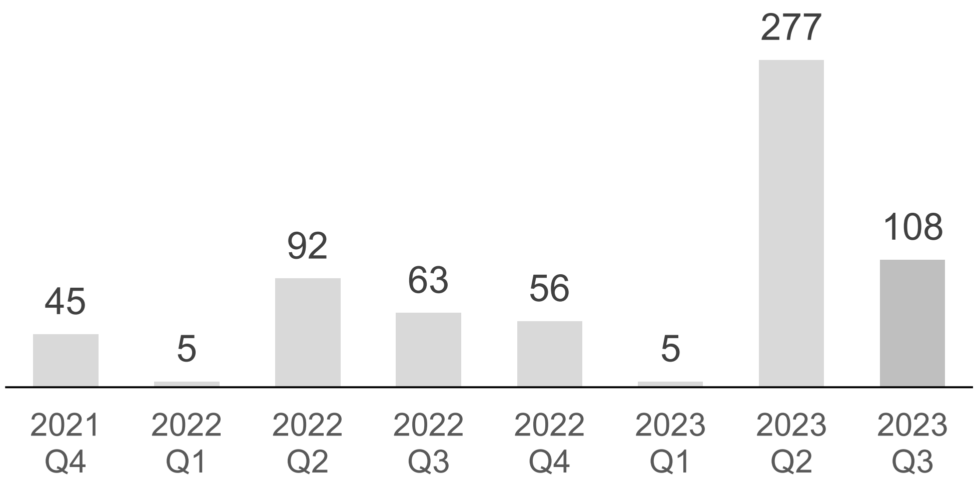
- EBIT margin pre-IPO 14.1% (25.2%) and 22.4% in R12.
- Gross margin of 40.2% (45.0%) and 43.0% in R12.
- Strategic investment in the global sales organization.
- R&D expenses 10 (6) MSEK and R&D reported in balance sheet 6 (6) MSEK.
- Expenses for Group Business System (ERP) 7 (6) MSEK.

STRONG CASH FLOW

Cash flow and net working capital overview, MSEK

MSEK	2023 Q3	2022 Q3	2022 FY
Cash flow before changes in working capital	**29**	**107**	**449**
Inventories	324	393	443
Accounts recievables	270	329	347
Other receivables	9	20	29
Accounts payables	87	160	146
Other payables	104	40	42
Net working capital	412	542	631
% of net sales, 12 months	*20%*	*31%*	*33%*
Cash flow from operating activities	**108**	**63**	**216**
Investing activities	-13	-11	-45

Operating cash flow per quarter, MSEK



Key comments

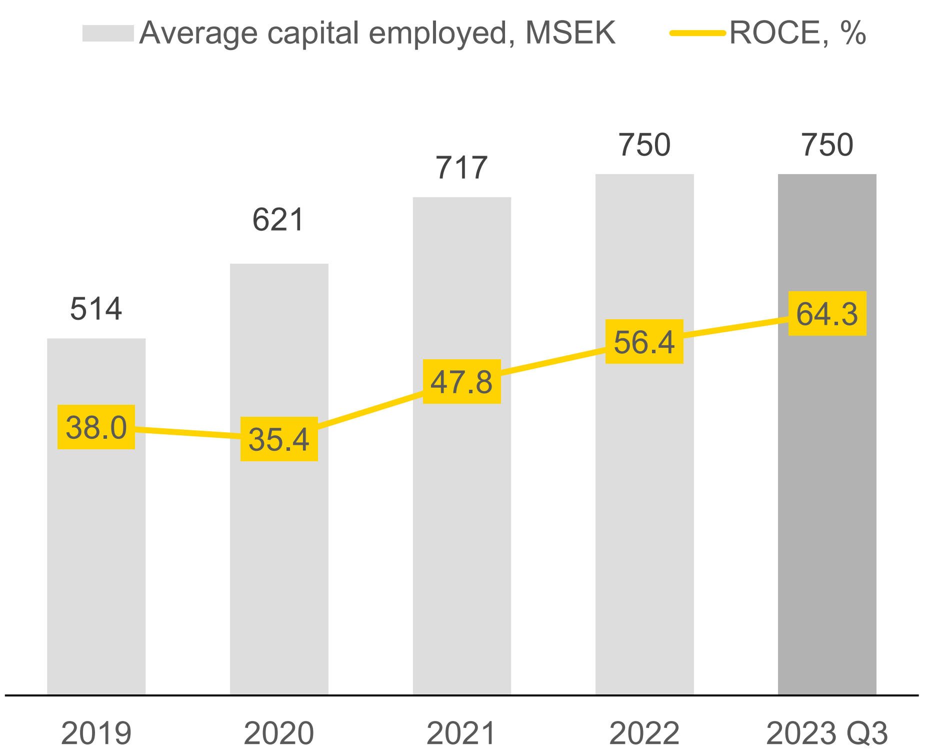
- Lower net working capital as part of net sales.
- Lower capital tie-up.
- Amortization of overdraft facility.

HIGH ROCE LEVEL

Return on capital employed overview

MSEK	2019	2020	2021	2022	2023 R12
EBT	192	218	341	415	460
Interest expense	3	2	2	8	22
Capital employed, beginning of period	484	543	699	735	708
Capital employed, end of period	543	699	735	765	792
Capital employed, average	514	621	717	750	750
Total assets	717	925	1,013	1,186	1,104
Non-interest-bearing liabilities	174	226	278	421	312
ROCE	**38.0%**	**35.4%**	**47.8%**	**56.4%**	**64.3%**

Average capital employed and ROCE



FINANCIAL TARGETS YTD

Growth	Profitability	Capital efficiency	Capital structure
Exceed the growth in existing market through organic growth.	Have an EBIT margin in excess of 20 per cent, measured over a business cycle.	Continue to achieve an industry-leading capital efficiency. ROCE to exceed 40 per cent, measured over a business cycle.	Maintain a strong capital structure supporting further expansive organic growth and dividends to share-holders. Equity-to-asset ratio to be above 35 per cent.
8% Net sales organic growth	**22%** EBIT margin	**64%** Return on capital employed	**58%** Equity-to-asset ratio

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SUMMARY AND OUTLOOK

- Net sales slightly above our expectations despite turbulent macroeconomic environment.
- Stabilizing order intake after several consecutive quarters of decline.
- Significant net sales and order intake growth in Americas.
- Strong cash flow provide ability to execute on strategies.
- New logistic hub in the US.
- Agreement signed with distributor in DACH-region in Q4.
- Major order received from French machine rental company in Q4.
- Less pre-buy effect expected in Q4 compared to previous years.


Q&A
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